

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** January 16, 2008  
**POSITION:** Neutral  
**SPONSOR:** California Hospital Association

**BILL NUMBER:** SB 891  
**AUTHOR:** L. Correa

### **BILL SUMMARY**

This bill would establish the Elective Percutaneous Coronary Intervention (PCI) Pilot Program within the Department of Public Health (DPH) until January 1, 2014. The PCI Program would allow up to six eligible acute care hospitals that are licensed to provide cardiac catheterization laboratory service and meet other prescribed criteria, to perform elective percutaneous coronary intervention for eligible patients. This bill would require the DPH to establish an advisory oversight committee to oversee, monitor, and make recommendations regarding the pilot project and require the DPH to submit two evaluation reports on the pilot. This bill would allow the DPH to charge pilot hospitals a supplemental licensing fee not to exceed the department's costs to oversee the program.

### **FISCAL SUMMARY**

This bill would require the DPH to establish an advisory committee, as specified, and oversee, monitor and evaluate the PCI Program. The DPH would be authorized to charge a supplemental licensing fee to cover the department's costs to oversee the PCI Program. Finance estimates these activities to cost up to \$250,000 beginning in 2008-09 and increasing to \$500,000 for 2011-12 and 2012-13 depending on the level of ongoing expertise needed to oversee the pilot and the depth of analysis included in the PCI Program evaluations. The supplemental licensing fees would likely be deposited in the State Department of Public Health Licensing and Certification Program Fund.

### **COMMENTS**

Finance is neutral on this bill as it allows for increased fees on the hospitals that elect to participate in the pilot in order to offset the costs associated with this bill's implementation.

According to the American Heart Association, a PCI encompasses a variety of procedures used to treat patients with diseased arteries of the heart and is typically performed by threading a slender balloon-tipped tube from an artery in the groin to a trouble spot in an artery of the heart (this is commonly referred to as PTCA, coronary artery balloon dilation, or balloon angioplasty). The balloon is then inflated to widen the narrowed artery.

According to the author's office, studies have shown that elective PCI for low- to medium-risk patients can be safely and effectively performed at hospitals without cardiac surgery services if they meet certain requirements. The author's office notes that the current limitation on hospitals performing interventional cardiac procedures, if they are not also licensed to perform cardiac surgery, was enacted over 20 years ago, and significant medical advances have occurred since then.

Finance notes that since the bill limits the pilot program to six acute care hospitals, each hospital would have to pay up to \$83,000 per year to participate in the pilot program. It is unknown whether hospitals would be willing to pay a supplemental licensing fee of this magnitude in order to participate in the PCI Program.

Analyst/Principal (0553) J. Kapoor	Date	Program Budget Manager Michael Wilkening	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

<b>BILL ANALYSIS</b>	Form DF-43 (Rev 03/95 Buff)
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**BILL NUMBER**

SB 891

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP							
Type		RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	Fund Code
4265/PublicHealth		SO	No		--	C	\$250	C	\$250	3098
1257/Othr Reg Lic		RV	No		--	U	\$250	U	\$250	3098
<u>Fund Code</u>	<u>Title</u>									
3098	Licensing and Certification Prog Fd, PH									